

# Exhibit 7

1 basis for some of FICO's allegations, but the court has  
2 determined that that was not -- that was not a legal basis  
3 for termination of the agreement. I mean, to the extent  
4 that confusion is really a problem, it could be handled that  
5 way.

6 But now you've said the other thing is that the  
7 refusal to give consent was in bad faith and it was done to  
8 extract more of a license fee; and in order to do that, they  
9 had to have reasons why you were in breach, and this is one  
10 of the arguments they made.

11 MS. GODESKY: In our view, in bad faith, because,  
12 as we show the jury, document after document shows that at  
13 the time they knew and in fact often facilitated use of  
14 software that included Blaze outside the United States.

15 THE COURT: But all of that even, all of that,  
16 even assuming that's fair game, the fact that they pursued  
17 this claim in litigation doesn't relate to that. You know,  
18 I can see -- I can understand why you're saying that the  
19 conduct during the license termination negotiations may --  
20 that may be relevant to that; but the fact that it was  
21 pursued in this litigation, I don't see it.

22 MS. GODESKY: It goes to damages, Your Honor.  
23 Right? There's interrogatory responses where we've  
24 identified the fact that we had to incur costs and fees  
25 litigating this case as some of the harm.

1                   THE COURT: Well, those are not items of damage  
2                   that you have asserted in the lawsuit, right? I mean, those  
3                   are items of damage or they are appropriate for the court to  
4                   consider after the verdict, right?

5                   MS. GODESKY: They have been asserted in  
6                   interrogatory responses. Right? When the question is  
7                   asked, What damage have you incurred from these, you know,  
8                   your counterclaims, we've identified costs and fees of  
9                   litigation.

10                  THE COURT: But by that logic, any party would get  
11                  to say costs and fees in litigation are part of my damages,  
12                  and that's contrary to the American rule.

13                  MS. GODESKY: I think, though, Your Honor, in this  
14                  context, and we can -- we can certainly present the court  
15                  with law around this, that the fact that you're incurring  
16                  the fees can be sufficient to show the harm, show the  
17                  damages for the element of the breach of contract claim.  
18                  And then it almost becomes nominal damages at that point, as  
19                  far as what the jury could award.

20                  THE COURT: But now talk about confusing the jury.  
21                  Right? I mean, you can't make that argument -- well, maybe  
22                  you can, but the jury is not going to determine your fees as  
23                  an element of damages.

24                  MS. GODESKY: No, no. We agree with that. We  
25                  agree with that. Absolutely. But I'm just -- Your Honor's

1 question was, How is the fact of litigation relevant to the  
2 bad faith claim, you know, and that's why. Right? I mean,  
3 we litigated a claim that was found to be without basis.  
4 They gave us one of two reasons, one of which we had to  
5 spend five, six years litigating.

6 THE COURT: But the bad faith claim is temporally  
7 limited to the conduct pre-litigation. And so the fact that  
8 they continued what you would say is bad faith conduct in  
9 the litigation, I don't think fairly supports the claim that  
10 their pre-litigation conduct was in bad faith; or if it  
11 does, it's going to be really confusing to a jury.

12 MS. GODESKY: I think our primary concern, Your  
13 Honor, is that -- and if the court can address it with the  
14 instruction or something along the lines of the instruction  
15 or facts that you could give the jury about the territorial  
16 restriction, that would go a long way to addressing our  
17 concerns, because I think undoubtedly both parties have on  
18 their exhibit list, right, the letters back and forth about,  
19 You breached Section 10.8 and you breached the territorial  
20 restriction. And so we need to give the jury an answer as  
21 to what happened there.

22 THE COURT: Well, and the jury -- I guess I would  
23 rephrase your point a slightly different way to be that you  
24 certainly can't have the jury finding you breached the  
25 contract on the basis of the territorial exclusion. That